STAND. COM. REP. NO. 2

Honolulu, Hawaii

FEB 0 7 2008

RE: S.B. No. 3083

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Health, to which was referred S.B. No. 3083 entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to ensure that the Hawaii Health Systems Corporation can pay for the operation and provision of current levels of service at its facilities.

Specifically, this measure makes an emergency appropriation in the amount of \$14,000,000 to be used by the Hawaii Health Systems Corporation to pay accounts payable within forty-five days from the date of the invoice for Hawaii Health Systems Corporation's facilities.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Maui Memorial Medical Center, and the United Public Workers/AFSCME, Local 646.

Your Committee finds that the Hawaii Health Systems
Corporation is in a financial crisis and unable to pay many of its
vendors within a reasonable time frame. Your Committee further
finds that this emergency appropriation is necessary to ensure the
protection of public health and the provision of essential health
care services.

Your Committee amended this measure by including a conditional appropriation to account for the operating loan currently being negotiated by Maui Memorial Medical Center. Your Committee finds that the likelihood of the loan closing prior to the enactment of this measure is great, thereby satisfying the condition of the appropriation. However, if the loan does not close prior to enactment, the total amount of the appropriation increases to \$25,000,000 from the original requested amount of \$14,000,000 for the additional expenditure by Hawaii Health Systems Corporation for accounts payable for Maui Memorial Medical Center.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3083, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Health,

DAVID Y TGE Chat

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Health HTH

| Bill / Resolution No.:* SB 3083 | Committee Referral: HTH, WAM | | | 05/01/08 | |
|--|---------------------------------|----------|----------|----------|---|
| The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: | | | | | |
| The Recommendation is: | | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | | |
| Members | | Aye | Aye (WR) | Nay | Excused |
| IGE, David Y. (C) | | V | | | |
| FUKUNAGA, Carol (VC) | | V, | | | |
| BAKER, Rosalyn H. | | V | | | |
| MENOR, Ron | | | | | V/ |
| WHALEN, Paul | | | | | <i>'</i> |
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| TOTAL | | 3 | | | 2 |
| Recommendation: Adopted Not Adopted | | | | | |
| Chair's or Designee's Signature: Chair's or Designee's Signature: | | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | | |

*Only one measure per Record of Votes